UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
BISMARCK, ND 58502

May 10, 2006

SUBJECT: Processing the Foreclosure Referral Packet

TO: All Rural Development Field Offices in North Dakota

PURPOSE/INTENDED OUTCOME:

The purpose of this North Dakota Administrative Notice (AN) is to provide guidance in completing the Foreclosure Referral Packet.

COMPARISON WITH PREVIOUS AN:

This AN replaces ND AN 1448 (HB-1-3550) dated August 10, 2005, which has been revised.

IMPLEMENTATION RESPONSIBILITIES:

For those borrowers who either received a loan or were reamortized and received subsidy after November 1, 1996, the Principal Reduction Attributed to Subsidy will need to be calculated by the Centralized Servicing Center (CSC) before you can submit the attached Foreclosure Referral Packet to the State Office.

Your office will need to order the appraisal on the property to be foreclosed upon. After receipt of the appraisal, run the Maximum Payoff. The Maximum Payoff is used to obtain the Total Subsidy Granted and interest on the fees. Your next step is to request the Final Payoff. You will do so by completing and faxing Attachment 13-A of HB-1-3550 to the Payoff Department at CSC. **Your payoff request date will be the same date as the maximum payoff you obtained.** After you receive your payoffs, use these figures to complete the Foreclosure Referral Packet and forward the completed packet to the State Office. The Maximum and Final Payoff Screens must be included in the Foreclosure Referral Packet, as well as a copy of the appraisal.

EXPIRATION DATE: FILING INSTRUCTIONS:
May 31, 2007   Following ND State Supplement
                                              Appendix 7 of HB-1-3550

For those borrowers with loans made before November 1, 1996 or never received subsidy after November 1, 1996, you are allowed to use an estimated fair market value instead of ordering an appraisal. You will use the Maximum Payoff to complete the Foreclosure Referral Packet.

If you have any questions, please contact the Rural Housing Section.

CLARE A. CARLSON
State Director

Attachment